

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 IO-10 ISO-00 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 SIL-01 AID-05 DODE-00 PM-03

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9312

INFO AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY SEOUL

US MISSION EC BRUSSELS 1515

US MISSION GENEVA 1563

US MISSION OECD PARIS 3436

CUSAF

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E.O. 11652: N/A

TAGS: ELAB JA

SUBJ: SPRING LABOR OFFENSIVE, REPORT IV--STEEL AND SHIPBUILDING
MAKE LOW OFFERS

REF: TOKYO 3947

SUMMARY: BIG STEEL AND SHIPBUILDING FIRMS' OFFERS OF AROUND 15 PERCENT WERE REJECTED BY UNIONS; BUT FINAL SETTLEMENTS AT ABOUT THAT LEVEL EXPECTED NEXT WEEK. GOJ AND EMPLOYER "GUIDELINES" TO KEEP INCREASES BELOW 15 PERCENT HAVE GOOD PROSPECT OF BEING SUCCESSFUL WITH STEEL SETTLEMENT SETTING GENERALLY TOP LEVEL OF INCREASE PATTERN FOR PRIVATE INDUSTRY. ELECTRICAL MACHINERY MANUFACTURERS EXPECTED SOON TO OFFER FIVE PERCENT. MANY SMALL AND MEDIUM SIZED BUSINESSES, HARD HIT BY RECESSION, EXPECTED TO SETTLE CONSIDERABLY BELOW 15 PERCENT. END SUMMARY.

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1. FIRST SHOE DROPPED IN LABOR'S 1975 SPRING WAGE INCREASE CAMPAIGN WITH STEEL'S BIG FIVE EMPLOYERS OFFERING AVERAGE OF 14.86 PERCENT INCREASE (63 DOLLARS PER MONTH AT RATE YEN 291/DOLLAR) AND EIGHT MAJOR SHIPBUILDERS OFFERING 15.01 PERCENT (62.50 DOLLARS PER MONTH). WHILE SEEMINGLY IMPRESSIVE, THESE OFFERS LAG FAR BEHIND 1974 SETTLEMENTS OF 31.3 PERCENT IN STEEL AND 29.3 IN SHIPBUILDING. TEKKOROREN (STEELWORKERS) AND ZOSENJUKI (SHIPBUILDING WORKERS) HAVE REJECTED MANAGEMENT'S OFFER AND DEMANDED A HIGHER ONE BY APRIL 16. THEY ARE, NONETHELESS, EXPECTED TO SETTLE AT ABOUT THOSE LEVELS.

2. THIS YEAR THE STEEL SETTLEMENT, ALWAYS A PACE MAKER IN THE SPRING WAGE STRUGGLE, WILL PROBABLY SET NOT THE FLOOR AS PREVIOUSLY, BUT THE CEILING FOR PRIVATE INDUSTRY SETTLEMENTS. STRONG PRESSURE THE GOJ AND NIKKEIREN (EMPLOYERS' ASSOCIATION), THROUGH "GUIDELINES" TO KEEP WAGE INCREASES UNDER 15 PERCENT, APPEAR AT THIS POINT TO HAVE A GOOD CHANCE OF SUCCEEDING. THE AUTO INDUSTRY IS RUMORED TO BE OFFERING LESS THAN STEEL, AND ELECTRICAL MACHINERY MANUFACTURERS, HARD HIT BY THE RECESSION, IS EXPECTED TO OFFER ONLY FIVE PERCENT ON APRIL 11 WHICH WOULD IMMEDIATELY TRIGGER A HALF DAY STRIKE BY DENKINROREN.

3. RASH OF SHORT SPOT STRIKES SCHEDULED APRIL 10 TO 16 REFLECT HEIGHTENED COLLECTIVE BARGAINING ACTIVITY IN PRIVATE SECTOR BUT ARE NOT ANTICIPATED TO ADVERSELY AFFECT THE ECONOMY OR INCONVENIENCE COMMUTERS. THE WAGE CAMPAIGNS OF GOJ PUBLIC CORPORATIONS AND ENTERPRISES WILL INCLUDE TOKEN GESTURES OF SOLIDARITY WITH PRIVATE INDUSTRY UNIONS BUT WILL NOT BECOME SERIOUS UNTIL A MAJORITY OF SETTLEMENTS IN PRIVATE INDUSTRY HAVE ESTABLISHED THE PARAMETERS OF WHAT THEY MAY EXPECT TO WIN.

4. COMMENT. WHILE ESCHEWING ANY "INTERFERENCE" IN THE COLLECTIVE BARGAINING PROCESS, THE GOJ HAS "JAWBONED" THIS YEAR MORE THAN EVER BEFORE FOR MODERATE WAGE INCREASES. AT ALL LEVELS GOJ LEADERS HAVE BEEN PRESSURING LABOR UNIONS AND EMPLOYERS TO ACCEPT INCREASES NOT OVER 15 PERCENT IN ORDER NOT TO SPARK ANOTHER INFLATIONARY SPIRAL. THIS CAMPAIGN COUPLED WITH THE RECESSION LIMITED OFFICIAL USE

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AND GOVERNMENT ANTI-INFLATION MEASURES APPEAR TO BE CONVINCING JAPAN'S PRAGMATIC ENTERPRISE UNIONS IN PRIVATE INDUSTRY THAT THE WAGE INCREASE SPIRAL MUST BE SLOWED DOWN. SOHYO (GENERAL COUNCIL OF JAPANESE TRADE UNIONS) HAS ACCUSED THE GOJ OF "OVERKILL"-- TOO RIGID ANTI-INFLATION MEASURES--AS A MEANS OF HOLDING DOWN WAGE INCREASES. THERE ARE ALSO SIGNS THAT PUBLIC SERVANTS WAGE INCREASES MAY BE HELD DOWN MORE THIS YEAR THAN USUAL. ALL THIS

CAN SUCCEED IF RISES IN THE COST OF LIVING AFTER THE SPRING
STRUGGLE DO NOT ERODE WHAT LOOKS LIKE MODEST GAINS TO BE
WON THIS SPRING. ALTHOUGH WE SEE NO DANGER OF IT SHOULD THE
CPI RISE ACCELERATE IT COULD HAVE SERIOUS REPERCUSSIONS WITH
UNION LEADERS IN PRIVATE INDUSTRY FORCED BY THEIR RANK-AND-FILE
TO FORESAKE THEIR COZY RELATIONSHIP WITH MANAGEMENT AND
ASSUME WHAT IS NOW A VERY UN-JAPANESE ADVERSARY RELATIONSHIP
AS THE ONLY MEANS OF PROTESTING THE
WORKERS' INTERESTS.
SHOESMITH

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